



# STONE CONSULTING

Newsletter

Autumn 2007



Welcome to another edition of the Stone Consulting Newsletter.

## ATO Accuses Businesses of Poor Record Keeping - by Donna Stone

A recent *My Business* article stated that a significant number of micro businesses are failing to keep adequate records to support their returns, according to Tax Commissioner Michael D'Ascenzo. A small proportion of micro businesses failed to lodge BASes on time, but a larger proportion failed to lodge income tax returns on time. The ATO planned to visit 13,000 businesses to "educate" them. My thought is, get your BASes and tax returns in on time and stay "under the radar" of the ATO. **"Poor record keeping is the reason 12% of businesses fail"** *Strata Core*.

"The best thing I ever did in my business to reduce workload was...to employ the services of a bookkeeper! Might sound basic and I put it off for ages thinking I was saving money, but I didn't realise what subconscious drudgery it was having to switch my mind from "work" over to tax and admin stuff, let alone the lost hours at weekends. I have found it such a release to have someone else look after those things that I found a real chore". *Lucy Walker, Graphic Designer, Sydney*.

## New Staff Member – by Dawn Meldrum

A "Big Hello" from the newest member of Stone Consulting. Hi, my name is Dawn Meldrum, and I have been working as a bookkeeper for over 15 years. My forte is reconciliations and problem solving and I also enjoy year end journals. I have worked for a variety of small to medium sized businesses operating with MYOB. My first month has been enjoyable and busy and I'm looking forward to being a productive member of Stone Consulting and helping to fulfill your MYOB and bookkeeping needs.

## Changes to Stamp Duty – by Dawn Meldrum

The Office of State Revenue has advised that the following changes have been made to the Stamp Duty Legislation. In addition to these changes, a number of additional changes will occur over the next couple of years. You may already have noticed a change in the amounts of direct debits for car HP's. It is advisable to check all paperwork to ensure that you are entering your transactions correct. Stamp Duty has been abolished on 1<sup>st</sup> January 2007 on:

- Lease Duty
- Credit Business Duty
- Hire Duty
- Marketable Securities Duty as of 1st January 2007

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• MYOB • PREMIER • BUSINESS BASICS • MICROSOFT WORD • EXCEL •

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## Recruiting the Right Person – by Donna Stone

Most of you know that I have a background in bookkeeping. I've been bookkeeping for 25 years (gee that almost makes me old), an MYOB Consultant for 14 years, but what you may not know is that I was in Human Resources (HR) for 3 ½ years. I ran a small private employment agency in the city.

Many of you will know, and especially those of us in the service industry, that the right staff are our greatest asset and resource. Hiring the wrong person can cost our businesses in real terms. And here's a stat - "70% of organisations with high-quality hiring systems outperform their competition financially".

Here are some tips:

1. Identify the successful attributes of a candidate. Write down what you want them to do, but also what skills or personal qualifications the "ideal" person would have. Be realistic "15 year old with 10 years experience" just won't happen!
2. Identify the best means to advertise (some positions are best filled via an ad in the local rag; others require a piece in a National paper). Alternatively you may choose to outsource this task.
3. Slowly eliminate people who don't meet your criteria until you have a shortlist of 3-6 people.
4. Interview and test these people. It's not just about skills, but their personality. There are a heap of probing questions that I use myself to find out how the person ticks and their previous performance.
5. Test them. If recruiting a MYOB Bookkeeper, I always test them. We can all say "yeah sure I know MYOB really well". Stick them in front of a computer and give them a test – then you will really know.
6. Consider personality tests, such as MBTI (Myer-Briggs Type Indicator). This (if done honestly) can tell you if the applicant is a procrastinator or a social butterfly...both not great qualities for a bookkeeper. But be warned, if you do this as part of the interview technique; many applicants will answer the questions how they think you want them to, not in full truth, so you can't give this a lot of weight.
7. Reference Check them. You will have received written references but actually ring people. You'll have to be a bit of a detective here. I heard of one young lady who asked her Nanna to be a referee. With a different surname, no-one would be the wiser. But would Nanna do anything but give a glowing reference? Also, there has been many cases of fraudulent written references; another reason to speak to a real person.
8. Police Check. For a small fee, and of course with the approval of the applicant, you can get a Police Check done. It does take a couple of weeks, so you may put the person on, subject to a favourable response. The report will come back with either "Nil history" or may list all the naughty things they have done, from drug abuse to grand theft auto. Now some items may not be relevant, such as a speeding fine, but certainly spending three years in jail for fraud or theft is relevant if they are going to be operating your bank accounts!
9. As a final note – ensure you have an "Employment Letter" or "Employment Agreement" which spells out all the rules, expectations and benefits. The drama of a sacked casual employee insisting on being paid his/her annual leave can be a huge drama (and expensive). Something formal, such as an *Agreement*, should be prepared by your Solicitor. He or she can do one for each of your staff, but less expensive is a "shell" for your business, where you insert the pertinent details for each staff member.

All the above takes time and experience. If you need some help with your recruitment, we don't operate like other agencies who take a percentage of the annual commencement salary (which can amount to thousands); we simply charge our costs (ads etc) and actual time. The average recruitment is often under \$500. Some clients will leave the whole process to us; others just want us to do the initial screening or perhaps the MYOB test. If you have any queries, or we can help you out...just email or ring me.



## Using Default Accounts by Amanda Chan

Having default accounts set up within your cards is a great way to save time whilst doing your data entry. To do this go into Cards List and find the card you want to use a default code in. Once in that card click on the Buying (or Selling) tab. In the box next to where it says Expense (or Income) account, chose the account that you want the card to default to and click ok. Now whenever you need to enter a transaction for that card the default account will automatically show up.

The screenshot shows the 'Card Information' window for an ASIC card. The 'Buying Details' tab is active. The 'Expense Account' dropdown menu is highlighted with a red circle. Other fields include 'Purchase Layout' (No Default), 'Credit Limit' (\$0.00), 'Available Credit' (\$0.00), 'Currently Past Due' (\$0.00), 'A.B.N.', 'A.B.N. Branch', 'Tax ID Number', 'Tax Code' (GST), 'Freight Tax Code' (GST), 'Supplier Billing Rate' (\$0.00), 'Cost per Hour' (\$0.00), 'Supplier Terms Information' (Payment is Due: Day of Month after EOM, Discount Date: 1st, Balance Due Date: 30th, % Discount for Early Payment: 0%, Volume Discount %: 0%).

## How to Change the World – by Guest Writer Brendan Podevin

Ever think about just how important your business is? Most of us are so busy dealing with the day-to-day; we forget to take the time to think about the 'big picture'. Take a moment now, though and think about how much your business means. First of all, what it means to you—what it means to your family, your lifestyle, your children's future? And in turn, what does it mean to your team members, and their lives?

Now scale up a little further and consider the impact it has on your local community—creating employment, and spending that in turn grows other businesses, and so on. This flow-on effect then continues out to your local and regional economies, even impacting government policy and actions. And it doesn't stop there...

Regional economics directly affect national economics. So ultimately, you and your team are making a positive contribution to your country's prosperity, as well as your own. That affects taxes, schooling, health care, the quality of housing, roads; research funding ...the list goes on. Then consider how our country's wealth and success impacts our standings within the worldwide community, our business partners, military allies and more.

When you think about it that way, suddenly your business is so much more than a "just a small business"—it's a key piece of a greater puzzle that keeps the wheels turning, of which you, your team and those around you should be proud. Is your business impacting the globe? You bet!

Brendan is with Marsh Tincknell Financial Services (and Accountants) of Upper Mt Gravatt. He can be contacted on 3422 8000.



## Superannuation Calculating Correctly? – by Karyn Adams

If you are having problems with your superannuation calculating incorrectly or maybe it's not calculating at all. Just by following a few easy steps you should not run into problems again. Go to Payroll, Payroll Categories, Click on Superannuation Fund and then go through steps below:

- Linked expense account is 6-xxxx Staff Super
- Linked payable account is a liability 2-xxxx Staff Liability
- Contribution type should be set as Super Guarantee.
- Calculation Basis should be set to 9% of Gross Wages.
- Exclusion field should generally be left at \$0.00
- There should usually be No Limit.
- Threshold field should be \$450.00

If you're paying into several super funds, you should make sure that the employee's card is correctly linked to their nominated super fund. Super is payable on ordinary time earnings, annual leave (except lump sums on termination), allowances such as site (but not reimbursements), performance based bonuses, (but not say Xmas bonus), casual loading and night shift. It's only on overtime if it's expected and regular. To exempt any pay categories you need to go through the list under the 'Except' icon button and select the exempt pay categories.

MYOB Accounting - [Superannuation Information]  
File Edit Lists Command Centres Setup Reports Window Help

Superannuation Name: SGC Superannuation  
Linked Expense Account: 6-0320 Staff - Super  
Linked Payable Account: 2-1250 Super Liability

Superannuation Information

Contribution Type: Superannuation Guarantee (expense)  
Pay Advice:  Print on Pay Advice

Calculation Basis:  
 User-Entered Amount per Pay Period  
 Equals 9% Percent of Gross Wages  
 Equals \$0.00 Dollars per Pay Period

Exclusions: Exclude the first \$0.00 of eligible wages from calculations.

Limit:  
 No Limit  
 Equals 0% Percent of Gross Wages  
 Equals \$0.00 Dollars per Pay Period

Threshold: Calculate once eligible wages of \$450.00 have been paid for the month.

## Tax Returns are Well Due! – by Donna Stone

Just a reminder, if you haven't seen your accountant yet in respect of the preparation of the 2006 tax return, you should do so VERY soon. They are very much due. Most clients whom we've dealt with for awhile, we are doing this on their behalf...but if you're not sure, please check with us.

Once your tax returns and financials are prepared, can you please send us a copy of your Balance Sheet please. We need to journal your MYOB data file to match your accountants' figures and then we will proceed to roll the file. After 14 years of Myobing in the real world, I do this a little different from how the MYOB books say...a system I've developed that works better.

So please talk to me first before you roll your MYOB file. ☺



## Setting up Recurring Transactions by Jill Woodruffe

Do you spend a considerable time each month entering the same information in month after month. Why not become more efficient by simplifying your workload. MYOB has the facility to duplicate the transaction the exact same way each and every time using "Recurring Transaction". You can set up recurring transactions as:

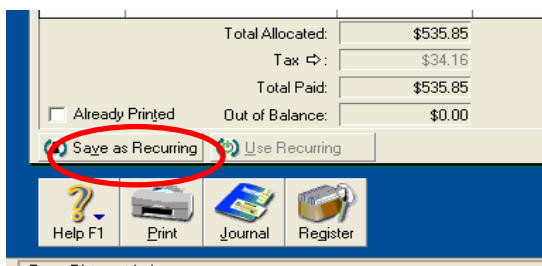
- General Journals
- Spend Money
- Receipting
- Sales (or purchases)
- Bringing in cash purchases
- Paying HP's or leases
- Interest or regular fees or charges
- Paycheques (in older version of MYOB)

For this example I am going to use the Spend Money option to pay Queensland Transport for Registration - the principle is the same with each module.

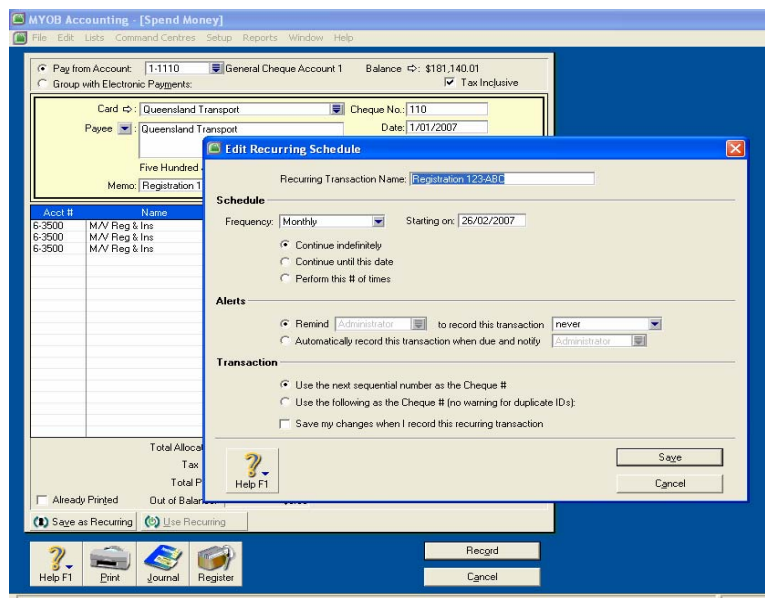
1. Banking
2. Spend Money
3. Enter appropriate details as listed below – in screen print #1
4. Click on Save as Recurring – encircled at the bottom of the screen print. Screen Print #1
5. Then a screen will come up and ask you edit details. (Screen print #2) remember to enter appropriate information to make it easier to find next time e.g. Registration of which vehicle, or which type of Insurance or HP Payment etc.
6. MYOB will assume your next payment will be due after the date of entering so you can go back and modify the exact date after. Just let MYOB assume the date for now.
7. Read all of the options available on the screen and remember you can re-edit at a later time. I don't actually use the option: Automatically record the transaction as I like to check the entry is correct at the time and fix accordingly.

When it comes time to use this transaction, just go into Spend Money, Use recurring and select the appropriate transaction you would like to use.

Let us know if you have any problems and we will guide you through it.



Above: Screenprint # 1  
Right: Screenprint # 2





## Windows Vista - By Jason Whitford

On the 31<sup>st</sup> of January Microsoft launched the much anticipated Windows Vista. The new operating system, sleek in design and powerful in performance, has been long overdue. Windows Vista includes many of the security features lacking from Windows XP. Many experts claim that Windows Vista includes all of the features that should have been standard when Windows XP was released some years ago. Other experts also claim that Windows XP was never truly designed for the internet age. Now that it's out on the market, what are the benefits?

Firstly, it's worth mentioning that MAC (Apple) users need not bother reading any further. MAC uses its own operating system and cannot be loaded with any Windows operating systems without the loss of vital Windows functions. For the owners of any non-MAC computers though, the following information may prove useful.

The biggest advantage with Vista is that it includes the security that should have been included with XP. If you were to turn off your normal firewall and virus scan (not recommended) and surf the internet as normal using your standard XP firewall, you would find that you will have *at least* one virus that will affect your computer within the first hour. Windows Vista, however, finally does what XP should. You could surf the internet quite happily with Vista's firewall alone (though this is still not recommended as Vista is not a dedicated virus protection program and is not as thorough as other virus protection programs). This is a big advantage for the security conscious businesses as the more protection you have, the less likely it is that a virus that takes your personal information will infect your computer.

The second reason for upgrading to Vista is that eventually, like all operating systems, as programs are developed, older operating systems will become redundant. A program developed in five or six years may not work on your current operating system.

Another benefit is that Vista includes many new tools that make using your computer much easier. The new Microsoft Office suite is fully animated, making your virtual work space much cleaner while still having all of your usual tools at hand.

There are disadvantages though which will mean that upgrading to Vista could be a costly exercise. Firstly, Vista Basic costs around \$270. The advantage is that the \$700 Vista Premium (the only difference is that Premium includes new 'Aero' graphics that simply make Vista look nice) is not needed. This is because the new 'Aero' graphics use much of your computer's processing power. APC magazine recommends that you have 2GB of RAM and a Pentium 4 CPU running at no less than 3.0GHZ (Note: Though Microsoft says that the minimum operating spec.'s are 1GB RAM and 1.5GHZ, the general rule of thumb is to double the recommended minimum in order to get something that will actually run smoothly). In English, that means that only mid to high range computers can run the operating system with nothing left over to run the actual programs. This can be prevented by turning off the 'Aero' graphics (that you've paid around \$400 for).

In summary, Windows Vista offers increased security **if** you have a computer that will handle it. My personal recommendation is, only purchase Vista if you use your computer for more than general business and office duties **and** have a fast computer or are willing to upgrade.

*Jill also advises that you check with the company you are purchasing it from to see if it is compatible with MYOB because at one stage they were not compatible and you would need to download a patch and install. Jill often waited for the next release of Windows (to ensure all compatibility) before buying.*



## **Learning to Delegate – by Guest Writer Michael Pope**

Some small business owners are proud of the fact that they do everything for their business themselves. But it doesn't always make business sense to be a one-person operation. In fact, you should delegate as much work as you possibly can if you want your business to thrive. If you don't, chances are you'll always be short on time, long on responsibilities, and standing still in business.

There are three key reasons why small business people say they can't delegate. Some common excuses are listed below. Read on to find out why they don't hold water. Then use a worksheet like the one described below to help you figure out what responsibilities you can delegate.

### **Money – “I can't afford to pay someone to do this for me.”**

It's short-sighted to avoid delegation because of the financial investment it requires. Yes, you will have to pay someone to do something you can do yourself. But if you're a consultant who charges \$100/hour, should you be using your time to stuff envelopes? Use the time you free up by delegating to find new business. This way, you'll still be making some money on the tasks you contract out and you'll be making money on new work too.

### **Time – “It will take too much time to train someone. I can do it faster by myself.”**

Not having the time to train someone is often a smoke screen for something else like a fear of giving up control. If this is your rationale, write down all your tasks and how long it would take to teach someone to take care of them for you. Then choose one or two jobs that are the easiest to farm out and start with them. This will gradually get you used to letting go of routine responsibilities.

### **Quality – “No one can do this as well as I can.”**

This is the oldest excuse in the book; it's probably also true. But it's not a reason to avoid delegating. A person you hire may not do something as well as you can. But think about the job this person can do for you once he or she is trained. If you determine that only you can complete certain tasks perfectly, you have two choices: save them for yourself and delegate other tasks, or settle for having something done well instead of perfectly. Lots of times, a very good job is sufficient.

## **Delegating Worksheet**

Use a worksheet to determine how you're using your time. Use it over the course of a week or two to see how much time each task (whether important or menial) takes you. You might find out that you're using a lot of time for certain jobs that can be easily delegated out.

Your worksheet should have three columns:

1. Task/Activity
2. Time Spent
3. Delegation Plan

Use the “Delegation Plan” column to record your ideas for steps necessary to farm out a task. Include a list of possible candidates.

*Michael Pope is from Icon Business Solutions. He can be contacted on 3300 1489 or 0438 384 780. He also has a very informative web site with more articles like this one; feel free to ask him about this.*



If you have any issues or questions which you would like answered in the upcoming newsletter; please email your question to Donna directly. Should you need any assistance with this; or any of the above matters – feel free to contact us:

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Happy Myobing from Donna and the Team!

Cheers

Stone Consulting - We'll keep your Myob rolling  
and relieve you from the cost, time and stress of your bookkeeping!